

petition. United States customs offers no relief, since the pumice imports come in duty-free—a fact which the importers are quick to point out to potential customers.

The upshot is that dockside prices on the imported pumice generally are considerably less than the best prices domestic competitors can offer.²

The strong and swelling surge of imports that results is threatening the growth of an important domestic industry, costing American workers jobs, and contributing to the newly unfavorable trend in our balance of trade and the already unfavorable condition of our balance of payments.

The lightweight aggregate industry was a relative newcomer in the postwar period and expanded rapidly during that period. Recent years have seen some leveling off of production and consumption. But as the advantages of lightweight aggregate and of the lightweight masonry it makes possible become better known and more widely appreciated, we anticipate a renewal of rapid growth in the market as a whole. If the importation of pumice continues to grow even faster than the overall market, however, the growth of our domestic industry and in particular the growth of firms whose plants lie near ocean ports will be stymied, if not reversed. By the same token, the employment of American workers in the industry will be severely curtailed.

Meanwhile, increasing imports of pumice are helping to aggravate this nation's already severe balance of trade difficulties. Because lightweight aggregates are low-priced commodities for which transportation costs over great distances at normal rates are generally prohibitive, they are not exported from the United States except in very small quantities to nearby islands. Thus almost the entire amount of pumice imports—over half a million dollars last year—is a net drain on the balance of payments.

In this respect of course the experience of the lightweight aggregate industry differs from that of other industries only in its complete one-sidedness. In industry after imports are outpacing exports, to the point that in March and May even the balance of trade, long the bright spot in the payments picture, turned against the United States for the first time.

Something must be done, and Congress is the right place to start.

The need for Congressional Action

Before this Committee now are several measures that will alleviate the current general trade situation and the situation of industries being injured, as ours is, by rising imports.

We support the President's move to make it easier for injured firms and workers to qualify for adjustment assistance and to simplify the attendant procedures.

We support also bills like that introduced by Mr. Herlong (H.R. 16936) to impose import quotas whenever imports threaten to overwhelm an industry before it has time to react.

But because of the peculiar regional nature of the threat to our industry, we are uncertain that these bills will meet it. For this reason and for the protection of our firms and their employees, we respectfully request that imports of masonry pumice (Tariff Item 519.05) be limited by law to an amount equal to the average of such imports over the past five years, 1963–1967. Such a limitation, while not excluding imports altogether, would permit domestic lightweight aggregate producers to maintain their just share of the now-threatened markets in our seaboard cities and would reduce the drain from these imports on our balance of payments. We further ask this Committee to give our problem careful consideration in the formulation of more general legislation, and we add our voices to the proposition that in the formulation of United States trade policy the needs of U.S. business and U.S. workers should be placed first.

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² Exact price figures are unfortunately unavailable, since prices vary with each transaction.